Streamlining the Procure to Pay Process

THE CLIENT

As a global leader in the design and manufacturing of oil and gas equipment, the client engages in the energy industry by providing technology-based solutions. The client is an industry leader in the development and commercialization of drilling technology with more than 2,000 employees in 23 different countries around the world.

BUSINESS CHALLENGE

Due to their lengthy Purchase Order (PO) process, the client faced many challenges related to procurement which included a huge backlog of unplaced requisitions, historical data issues, and unplanned cycled requisitions.

With their current processes in place, the client experienced an increase in PO delinquency which resulted in work delays, increased costs, and long cycle timeframes. The department which suffered the most was the Account Payables department. They suffered from late payments, aged invoices, and a complex invoice discrepancy resolution process.

THE RESULTS

Reduced delinquency in supplier orders (reduced from 1336 to below 5 lines in a span of 1 year)

Achieved savings of over $77K (within a six month period)

Oversaw 115K of Purchase Order line items (worth $120.5M)

Increased invoice productivity by 200%

Cleared over $42M/year worth of discrepancies three years in a row

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HOW CORBUS HELPED

- **Redesigned** the Procure To Pay (P2P) process by aligning experienced resources to shorten the requisition to PO cycle time and clear the back log in PO creation
- **Aligned** the historical pending PO data with the new Enterprise Resource Planning (ERP) system
- **Prioritized** the client's needs and diverted the PO process to alternate vendors
- **Evaluated** the development of the client's suppliers within the approved database (effectively reducing dependency)
- **Ensured** on-time delivery by following-up with the suppliers regularly
- **Coordinated** shipments prior to receiving them at the dock
- **Defined** invoice processing steps per industry practice and initiated a daily Goods Receipt report to identify discrepant invoices
- **Nominated** a single point of contact for each department for the discrepancy resolution process
- **Established** an end-to-end follow-up process to launch a discrepancy resolution, define freight discrepancy codes, and maintain freight discrepancy logs
- **Reduced** the amount of Vendor Relationship Management (VRM) helpdesk tickets from 160 to only 10 a month
- **Instituted** a dedicated VRM helpdesk to address the vendor queries and payment issues
- **Developed** a standard Finance and Accounting Outsourcing (FAO) process while streamlining the discrepancy coding for better visibility and faster resolution
- **Generated** a paperless and environmentally friendly AP process